

Town of Abington Budget Information

Prepared by The Finance Committee

April 12, 2010

Budget – Overview (Article 3)

- Must be balanced each fiscal year– revenues and expenses
- Annual Budget is largely dictated by Local Aid (from state), Local Receipts (e.g., local fees & excise taxes) and property taxes.
- Should really include only recurring revenues and recurring expenses

Budget – 5 year snapshot

Abington Town Budget

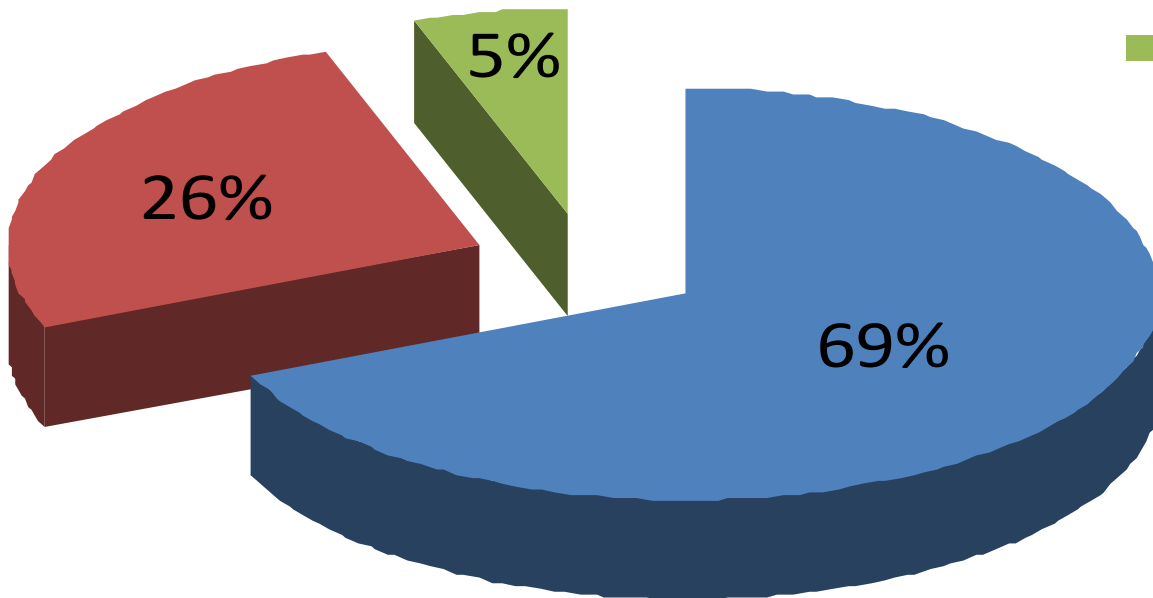


Budget – Sources Of Revenue

Abington Sources Of Funds

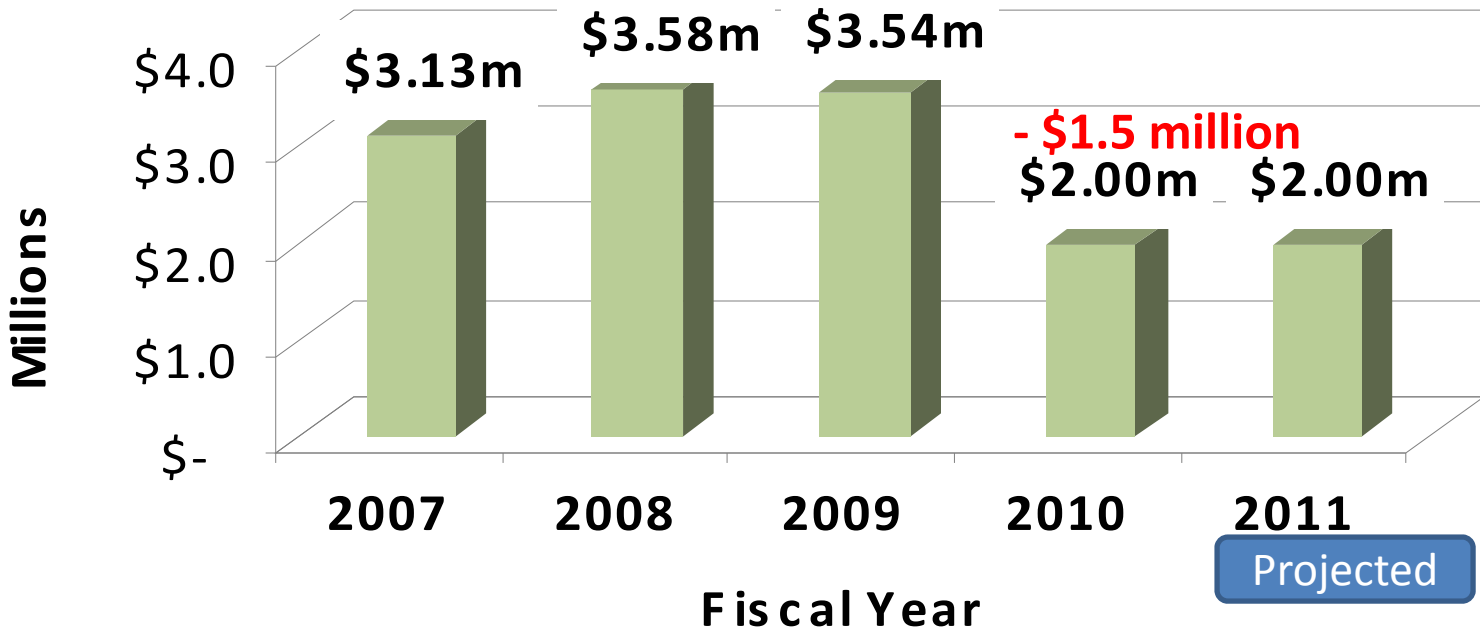
FY 2010

- Property Taxes
- Local Aid
- Local Receipts



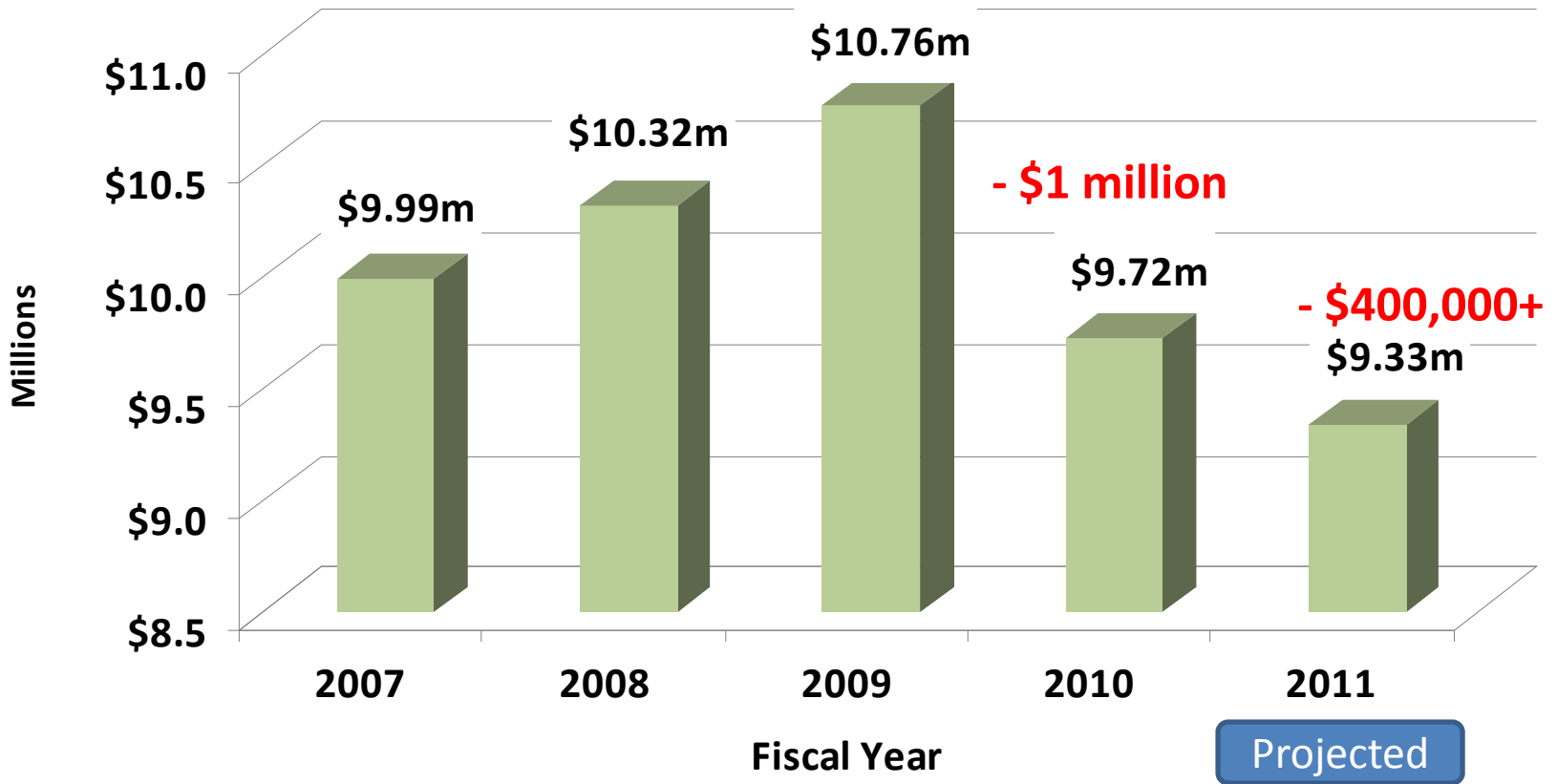
Local Receipts – 5 Year Snapshot

Significant Decrease in Local Receipts after FY09



Local Aid – 5 Year Snapshot

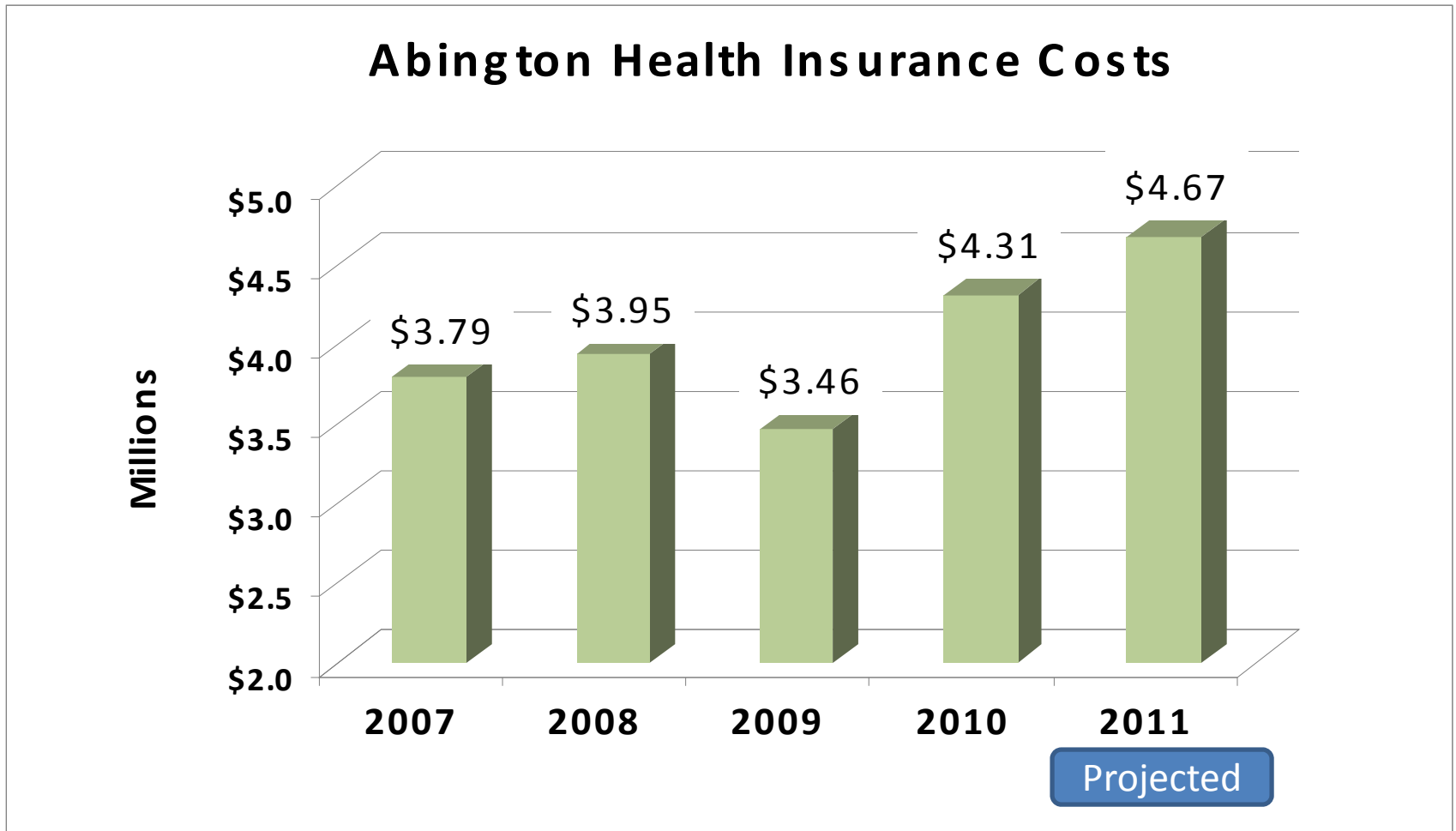
Significant Decrease in Local Aid



Property Taxes

- Governed By Proposition 2 ½ -- each fiscal year, the “Levy Limit” (property taxes) can be increased by 2 ½ percent. For FY11, this equates to approximately \$579,000 in anticipated revenue for the Town.
- Can be more than 2 ½ % if an override, debt exclusion or capital outlay exclusion is passed – requires a vote.
- Single tax rate = same for businesses and residents.
Splitting the tax rates will **NOT** increase the amount of revenue to our town – it only shifts the burden.
- New Growth: 1% -- estimate of \$249,000 in anticipated revenue for next year

Expenses – Costs are Rising



Other Expenses

- Reimbursements from the State have been reduced:
 - Special Education – “Circuit Breaker” reimbursement from state is on the decline – was 70% -- now trending toward 40% -
- leaving more for towns to pay
 - Quinn Bill – Reimbursement was 50% from the state; has been trending down -- leaving more for towns to pay
- Students are opting out of Abington High and attending other schools – numbers are increasing; town must pay for some costs for those students (e.g., transportation)
- Unemployment cost increases (discussed later)

Summary – How we got here

- Decline in Local Aid
- Decline in Local Receipts
- Rising costs in health insurance and other expenses
- Stabilization funds have already been used to balance prior budgets
- Decline in state reimbursements
- Unemployment costs increase when layoffs increase
- New Growth on the decline (1%)

Debt and Capital Exclusions

- Common way for municipalities to pay/borrow for improvements or new facilities (i.e. sewer system, police station, Griffins Dairy) outside or “excluded” from the operating budget
- Debt Exclusion (more than one year – similar to a mortgage loan, but annual payments decrease)
- Capital Exclusion (one year – purchase of capital item)
- **Temporarily** increases taxes (until debt or capital is paid off)
- Exclusions can be “timed” to add new Exclusions as old Exclusions are close to being paid off

Ballot Questions

• Question 1 – Capital Exclusion -\$323,000 (1 year)

- \$248,000 to pay remaining 2 year lease in full on existing Fire Engine and Ambulance (“rescue vehicle”)
- \$76,000 to pay the final year lease on existing Computer/Phone System (“I.T.”) equipment

• Question 2 – Debt Exclusion -\$770,000 (7 years)

- \$143,825 for FY11; amount decreases thereafter
- 7 payments left on 10 year bond for replacement of Early Childhood Center roof
- Approved by voters in 2005; work has already been done
- Debt exclusion not previously utilized, thus paid for out of operating budget

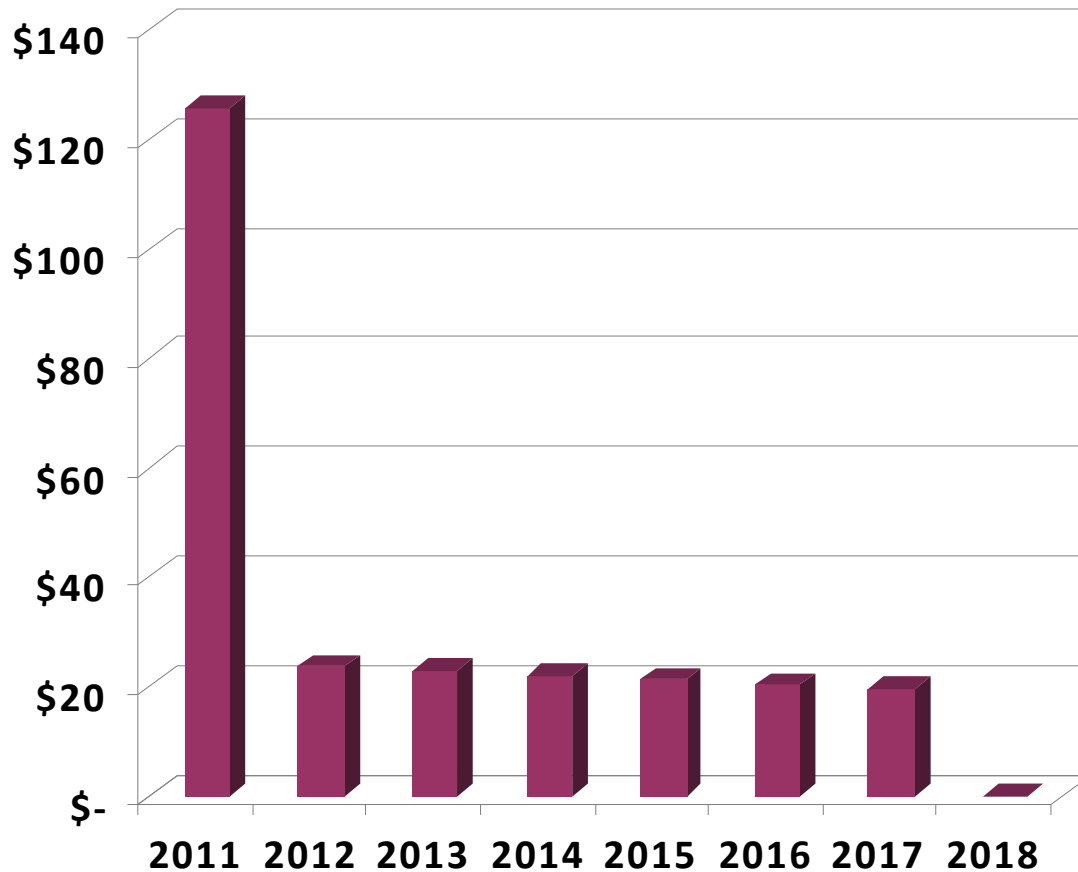
Ballot Questions (cont.)

Question 3 – Capital Exclusion -\$275,000 (1 year)

- New Expense to pay for monitoring and assessment of Groveland St. landfill site to satisfy the requirements set forth by The Dept. Of Environmental Protection(DEP)
- Closed in 1970's; Has been an issue since 2004
- Will eliminate the possibility of being fined by the DEP – fines can be significant
- Does not pay for the actual “capping” of the landfill, just the study to assess the site and begin the process

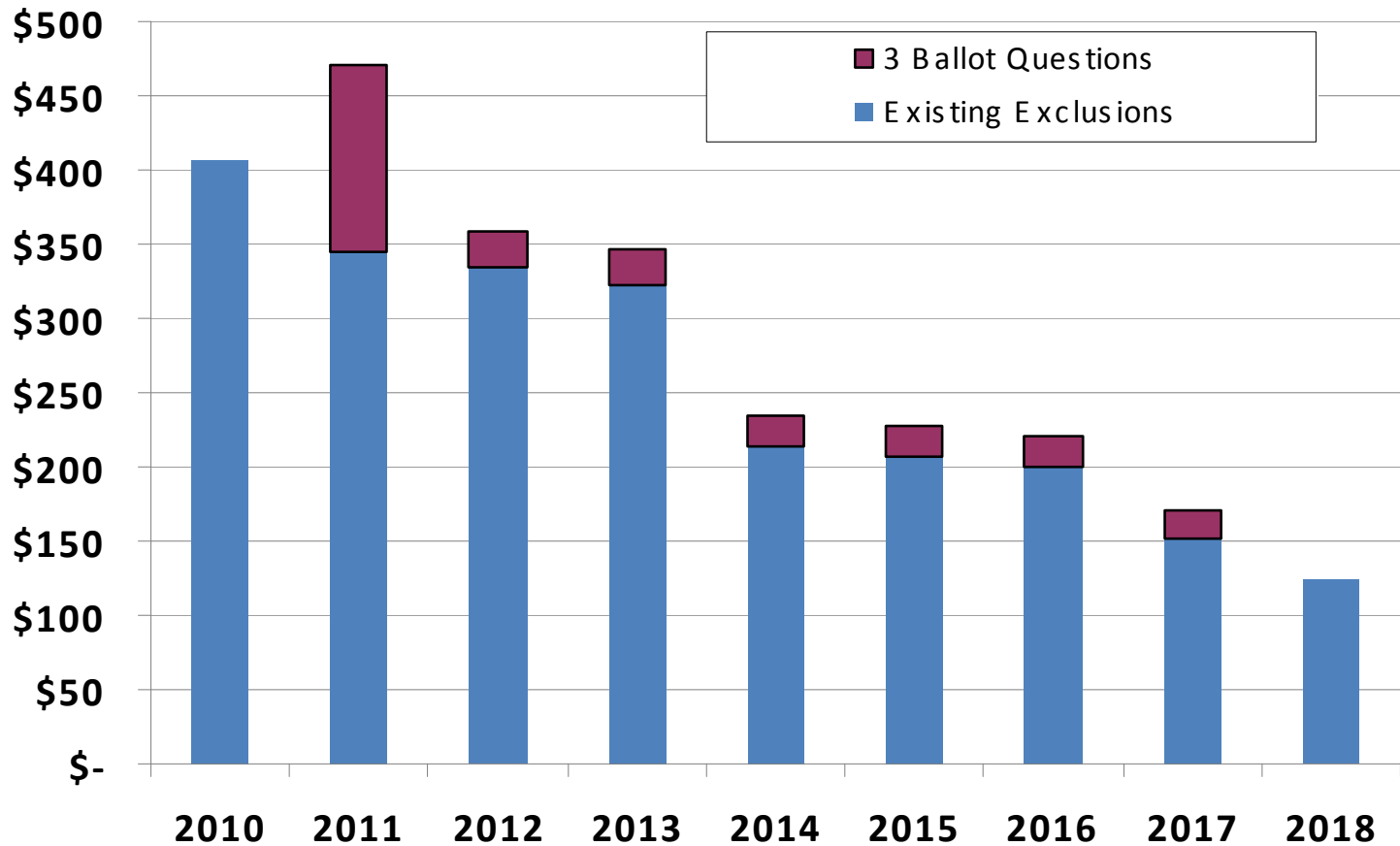
Exclusions – 8 Year Look Ahead w/Ballot Questions Passing

**Estimated Tax Increase to Avg. Home
(\$312,300)**



Est.Taxes For All Existing Exclusions Plus all 3 of the Ballot Questions

Estimated Taxes for Avg. Home (\$312,300)



Handout

What is the cost to APPROVE ALL 3 BALLOT QUESTIONS for the average Abington Homeowner?

(Average Abington Home)

Home Assessed at \$312,300

FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18

Q #1	Pay off Fire & IT leases	\$54.77	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Q #2	ECC Roof bonding	\$24.39	\$23.59	\$22.83	\$22.03	\$21.17	\$20.38	\$19.58	\$0.00
Q #3	Landfill Site Assessment	\$46.63	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**Annual Tax for \$312,300
Assessment:**

\$125.79 \$23.59 \$22.83 \$22.03 \$21.17 \$20.38 \$19.58 \$0.00

Increase to Quarterly Tax Bill:

\$31.45 \$5.90 \$5.71 \$5.51 \$5.29 \$5.10 \$4.90 \$0.00

Exclusions - Summary

- The passage of three ballot questions would exclude \$617,000 from the FY11 operating budget
- Questions 1 and 3 totaling \$598,000 would only be for one year
- If one or more of the Questions do not pass, the corresponding amount of money would need to be taken from the operating budget to pay that item(s) – thus requiring deeper cuts from town departments
- Some significant debt coming off in FY11 \$(365,000) and in FY13 \$(647,661) to help cushion the effect

Current Situation – Last Year's Cuts (partial list)

- Park and Recreation and Council on Aging- all funding eliminated
- Police Department – Elimination Of Detective Bureau and unable to staff all lost positions
- Fire Department – Closure of Rockland Street Fire Station, one shift cut from 5 person to a 4 person shift, and loss of dispatchers

Current Situation – Last Year’s Cuts (partial list)

- Highway Department – All (4) seasonal people cut, (2) laborers cut in beginning of FY10, and (2) more cut in fall, limited laborers left to do town’s maintenance work
- Town Hall – Reduction in Hours
- Schools – North School closed, 52 layoffs, High School accreditation on “Warning” status, many classes eliminated, rising class sizes

FY11 – Budget Situation

- ***Why are cuts still required for a level funded budget ??***

- Rising expenses and decline in state funding as previously explained
- Operating Costs increasing (utilities, fuel, etc)
- All FY10 employee concessions do not apply
- All miscellaneous one-time gifts & donations made last year will likely NOT be available or given again for this coming year (FY11)

FY11 – Budget Situation

- A “level funded budget” (*departments are allocated the same dollar amount for their budgets as the previous fiscal year*) on its own results in several additional cuts;
- Park and Rec and Council On Aging – Remain Zero Funded
- Police
 - Lose (1) Officer – unable to fill a vacancy
 - Elimination of Clerk Position
- Fire
 - Station 2 remains closed
 - Unable to fill sick time
 - Shifts remain (1) 4 person and (3) 5 person groups

FY11 – Budget Situation

Level Funded Cuts (cont.)

- Highway
 - Additional Cuts
- Schools
 - Closing of Center School, Increased Class sizes
 - Pre-K thru 3rd at ECC (750 students)
 - Woodsdale – 4th Grade Thru 6th Grade (540 students)
 - Reduced Guidance Counselor hours at Frolio
 - Eliminate division at Frolio – increasing class sizes.
- Library
 - Lose Part Time Position
 - Lose 12 ½% of State Aid due to reduction in hours from 50 to 45 per week.
 - Books and Material Budget underfunded by approx. \$15,000

FY11 – Budget Situation

Worst Case Scenario – Assume NONE of the 3 Ballot Questions are approved by voters on April 24th:

- Town will have to make \$1.6 million more worth of new cuts, but because those cuts/layoffs will increase our Unemployment Costs, the actual amount of cuts required to balance our town budget will total **over \$2.1* million in new cuts in services!!**

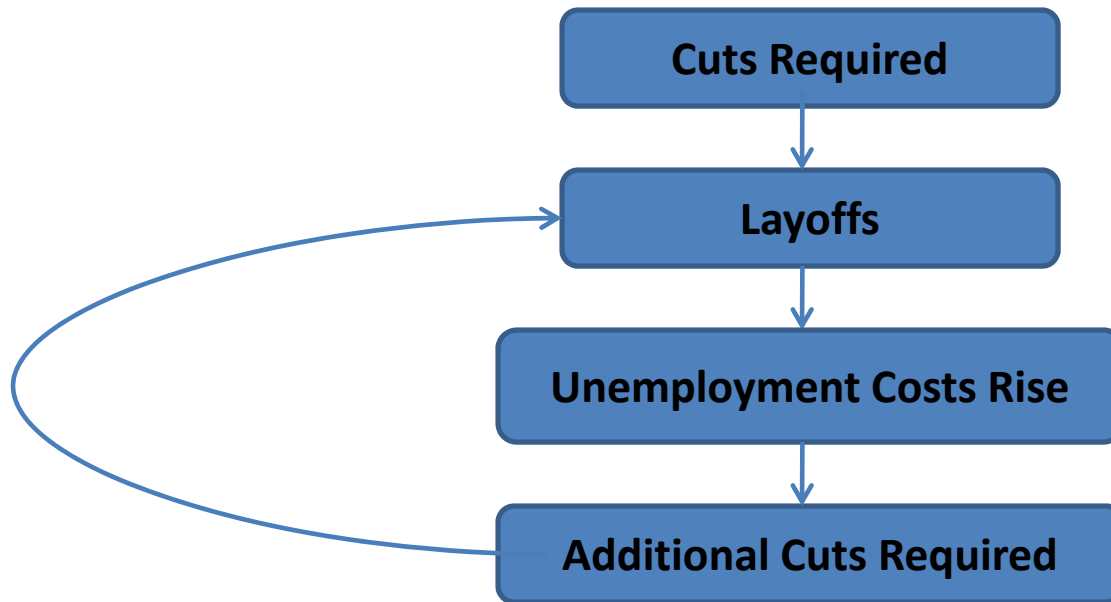
(assuming Park Dept & Council on Aging are still \$0)

- If ALL THREE Ballot Questions are APPROVED, the amount of new cuts would be reduced from about \$2.1 million to about \$1.3 million in new cuts. Or to put in another way, excluding \$617,000 (Total of 3 ballot questions for FY11) from the operating budget, **saves the town from having to make \$800,000* worth of additional cuts.**

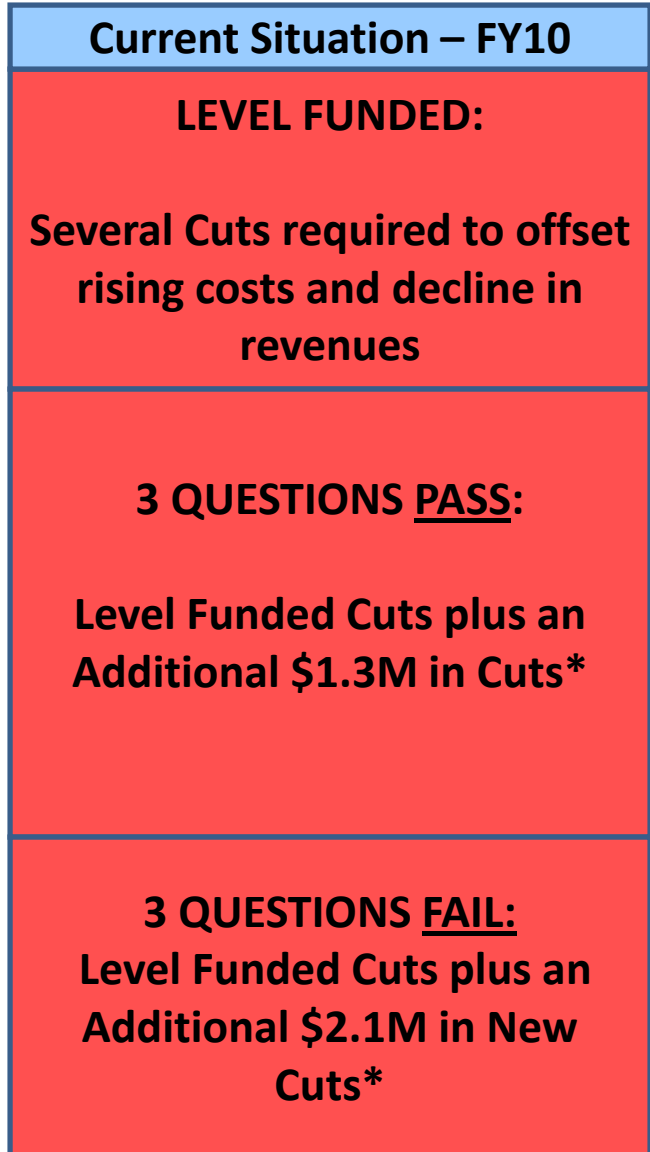
* Includes estimated unemployment costs

Unemployment Costs

- Vicious Cycle that eats away your budget
- As you make more cuts resulting in layoffs, your unemployment costs rise, thus forcing you to make more cuts and the cycle continues



FY11 Budget Summary



- Park & Rec and COA – Not Funded
- Police -No Detective Bureau and unable to staff lost positions
- AFD - One fire station closed, (1) 4 person shift, loss of dispatchers
- HWY Dept – Severely Reduced staff
- Schools – North School closed, HS on warning, class sizes increased

Level Funded Budget – several additional cuts as previously described

FY11 budget if all 3 Ballot Questions PASS (“YES”) on April 24th ballot – *Passage of these questions would save the town from having to cut an additional \$800,000**

FY11 budget if all 3 Ballot Questions FAIL (“NO”) on April 24th ballot

* includes estimated additional unemployment costs

We're Not Alone

ay, April 6, 2010 NEWS/FROM PAGE ONE

Quincy department

Expected loss of state aid could push deficit to \$12M

By Jack Encarnacao THE PATRIOT LEDGER

Quincy — With a state-aid cut looming, city officials have begun making moves to trim the city budget and close a projected \$12 million deficit.

Elsewhere, city council member Br...

Weymouth WEDNESDAY, APRIL 8, 2010 The Patriot Ledger

School board reacts to cuts

With loss of 75 teachers on horizon, parents urged to contact town officials

By Allison Manning THE PATRIOT LEDGER

During a meeting that was part of school officials' fieldwork, parents from concerned...

WICKED LOCAL BRIDGEWATER

WITH NEWS FROM THE BRIDGEWATER INDEPENDENT

Drastic cuts looming at Bridgewater-Raynham schools

By Rebecca Hyman
Bridgewater Independent
Posted Apr 06, 2010 @ 12:55 PM
Last update Apr 06, 2010 @ 02:37 PM

Bridgewater — The school committee will have to cut \$4 million from this year, school board members said.

BUDGETS BUSTED

QUINCY \$12M gap to require cuts of 3-6%

Three to 6 percent. That's the amount Quincy department heads will have to pare from their 2011 budgets to make up for cuts in state aid and close a projected \$12 million deficit.

WEYMOUTH Mayor: Layoffs are necessary

"Grim." That was about all town council President Arthur Mathews could say in describing Weymouth's increasingly bleak fiscal 2011.

\$2.1 million

WICKED LOCAL FRANKLIN

WITH NEWS FROM THE COUNTRY GAZETTE

Franklin to consider override

By Ashley Studley/Daily News staff
Milford Daily News
Posted Apr 08, 2010 @ 11:09 AM

Town Council Chairman Scott Mason last night asked administrator Jeffrey Nutting said departments to make...

Bridgewater-Raynham Regional School Committee shortened school day for grades K-8, elimination of "unified arts" classes, athletics and extracurricular and administrative positions, there assistant principal.

All of those cuts together total \$4 Luciano said at a budget hearing a on Wednesday, March 31.

The full school committee will adopt.

Milton voters approve \$3.42 million override

By Fred Hanson
The Patriot Ledger
Posted Jun 08, 2009 @ 09:36 PM
Last update Jun 09, 2009 @ 10:54 AM

2009

SCITUATE 2010

Austere budget calls for 40 school layoffs

By Jennifer Mann
THE OUTDOOR LEADER

THIS STORY HAS BEEN FORMATTED FOR EASY PRINTING

The Hull Sun

Hull to face a \$2.25M override question

Posted on February 10, 2010 by cathleen.jeffrey
Filed Under Uncategorized | Leave a Comment

boston.com

Rockland voters OK \$2.8m override

By Emma Stickgold, Globe Correspondent | June 1, 2009

2009

The Boston Globe

Vote “YES”

The Finance Committee unanimously supports the approval of ALL 3 Ballot Questions at the April 24th Town Elections

- **Please vote “YES” on Questions 1, 2 and 3**
- Approval of the Ballot Questions will not solve all of our budget issues, but “YES” votes will reduce our deficit and lower the amount of cuts to be made to your vital town services